

## **Up to the Challenge of HUD?**

**The post-Katrina mess is just one of the challenges facing the new housing secretary.**

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Alphonso Jackson, who resigned last week as head of the Department of Housing and Urban Development, was a bit of a lightning rod. Appointed to the position in 2004, Jackson had been criticized for what appeared to be rewarding federal funding in the form of government housing contracts to political allies, while denying the same money to those who criticized his department or the president. "Why should I reward someone who doesn't like the president, so they can use funds to try to campaign against the president?" Jackson asked during a 2006 speech.

Now Jackson is gone—but the challenges of the current housing market are tougher than ever. Last week former head of the Small Business Administration Steven Preston was tapped as the new HUD secretary for the 10 remaining months of Bush's administration. But with limited time, Preston will have to address big issues like Gulf Coast construction, high rates of foreclosure and a slumping real estate market. Sheila Crowley, president of the National Low Income Housing Coalition, spoke to NEWSWEEK's Daniel Stone about some of the things Preston should prioritize and what she thinks of the legacy of Alphonso Jackson. **Excerpts:**

**NEWSWEEK: In what kind of state is Jackson leaving the department?**

**Sheila Crowley:** Well, public housing is suffering from a significant loss of capital funding, which means public housing is continuing to deteriorate. The old programs are in need of attention, and now people are looking for government intervention.

**How would you characterize the legacy of Alphonso Jackson?**

One of the key things that will be seen as Jackson's legacy is the serious problems with housing post-Katrina. The programs that were put in place have been very inadequate, and the secretary hasn't exercised any leadership whatsoever in trying to move that along. I should mention that Congress did make the decision to give some money to the governors, but HUD has had enormous power to direct how governors should direct those dollars, and [Jackson] was pretty hands-off. Another thing: HUD had direct responsibility for the reopening of federally assisted housing in the Gulf Coast, and that's been very poorly handled.

**President Bush said that the department now needs someone with "strong leadership at a time when our housing market is experiencing a period of change and uncertainty." Does Steve Preston fit the bill?**

Steve Preston has no background in housing that we know of. Obviously, if you had an understanding in housing policy, that would be an advantage. I think it says a lot for the Republican Party that they have an inability to find someone to do that and who could be a good manager. I don't have any inside knowledge about why he was appointed aside from that he was brought in a couple years ago as a turnaround guy at the Small Business Administration, which was under serious criticism—

**And he seems to have done a good job there.**

That's what the word is. He's credited for having a lot to do with the turnaround. Senator Kerry, who chairs the Small Business Committee, has said nice things about him. Other government officials have been reasonably complimentary. I think people want to give him the benefit of the doubt.

**If you were to advise Mr. Preston, what should his top priorities be?**

I have high hopes he'll roll up his sleeves and dig into the Katrina mess, given that he has knowledge from another agency perspective. We'd also like to see immediate attention to issues related to getting adequate funding for public housing agencies. What HUD has lacked for the past eight years is an agency secretary who is an advocate for the agency's programs and who cared that the programs they worked for served the American public. And what we're looking for in a secretary is someone who has that commitment.

**Having 10 months to turn things around, what are the biggest challenges he's facing?**

He's got a massive agency with huge morale problems. He has an aging workforce, many members of which are counting the days to retirement. And he has a Congress that's highly suspicious of the administration's motives around any of these things. Plus, a massive housing crisis.

**You don't seem hopeful he'll perform well.**

There's no miracle worker there. I certainly hope that his being in that position will be a benefit, but I don't know that will be the case. I know there was an effort when he was appointed to reach out to housing advocates, which is not something that Secretary Jackson could have dreamed of doing. That might be part of a White House spin process or a genuine effort on his part to say that he wants to start with good communication with the people who are critics of the agency. Communication goes a long way to being able to at least understand where everyone is coming from and what the differences might be.

**With housing markets as they are, how important is the position of the Housing and Urban Development secretary?**

To the large numbers of people who are paying more than they can afford for housing and are not able to acquire affordable housing, it's a very important position. It's been relegated to being a very minor position during the Bush administration and not given much importance. It's usually considered the agency that deals with poverty issues as opposed to all housing and urban issues.

**Given that Preston will be replaced by a new appointee next January, what would you like to see in the person the new president selects?**

The next president should hear that we want a serious secretary and someone who's committed to the cause of the agency. We also would like to see a federal czar around Gulf Coast recovery, because everyone knows the response was inadequate.

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